



January 25, 2007

TO: Transportation Authority of Marin Commissioners

FROM: Dianne Steinhauser, Executive Director

RE: Adopt Project Priority for 2006 State Transportation Improvement Program (STIP)
Augmentation Funds – Agenda Item 10

Dear Commissioners:

Executive Summary

Upon the successful passage of Proposition 1B, the Transportation Bond, on November 7th, 2006, the legislation creating it is now going into effect. SB 1266, Perata, created various funding programs in the I-Bond package for transportation, including \$2 Billion for augmenting the STIP. The CTC passed guidance this past Fall on programming these STIP Augmentation funds, and the Metropolitan Transportation Commission, MTC, charged with that programming action in concert with the CMA's, updated their guidance and schedule as well. MTC requires the CMA's to submit their STIP Augmentation candidates no later than end of February 2007.

TAM is constrained by past actions to assign STIP funds in this 2006 STIP Augmentation to two primary corridors, the Gap Closure and the Marin-Sonoma Narrows. While TAM and Caltrans have finalized the cost estimate for the Segment 4 Gap Closure project over Puerto Suello Hill, bids could come in higher than the engineer's estimate, a trend that is common lately on projects. The project is due to be advertised in late February, with bids opened in April. If bids come in high, TAM has no additional local funds to put into the project, and so TAM staff will seek an advance of funds from the STIP. This will happen prior to the CTC adoption of the final STIP Augmentation, and so these Augmentation funds may be ultimately programmed to the Gap Closure. The completion of the Gap Closure has been TAM's consistent number one STIP priority for over 20 years.

The Marin-Sonoma Narrows is scheduled to receive a substantial amount of new programmed funds through the Infrastructure Bond. MTC is requesting \$170 Million in Corridor Mobility Improvement Account, or CMIA funds, while Caltrans is committing an additional \$50 Million in ITIP funds. The two counties who will benefit from the project, Marin and Sonoma, committed \$49 Million in future RTIP funds (the CMA share of STIP funds) to the Narrows to complete the funding plan and propel the other agencies to make their commitments. While Marin and Sonoma understood at the time that these would be future STIP funds, in the 2010 and 2012 STIP cycles, recent CTC guidance indicates that in order to secure the CMIA funds through the CTC and legislative process, local agencies need to program STIP Augmentation funds to the CMIA candidate project. If the STIP Augmentation funds do not go to the Gap Closure, they will therefore reside with the Narrows project.

Staff will bring forward the rules and the fund estimate guiding the 2008 STIP process, which will start later this Spring, to determine if other Marin projects can compete for STIP funds in the 2008 STIP process.

The STIP Augmentation cycle affords TAM an opportunity to re-program the dollar amounts or year of delivery for existing programmed projects. In the 2006 STIP cycle, TAM programmed funding to the Marin County Transit District to develop and build an Intermodal Transit Center in the southern Novato area, ideally to serve both bus transit and future SMART users. Recently, MCTD staff have indicated that this facility is not likely to move forward in the near future, and so they may want the funds redirected to other higher priority transit capital needs in Marin. This could include sorely needed upgrades to existing bus stops throughout Marin County. TAM staff will work with MCTD staff to finalize the exact amounts and years of delivery for these improvements. Note that these funds are Public Transportation Account funds and so must remain in the STIP assigned to a transit capital improvement.

Recommendation: That the TAM Board recommend to MTC the programming of TAM's STIP Augmentation funds to the Gap Closure as needed for cost increases, or to the Marin-Sonoma Narrows as a complement to ITIP and CMIA Bond funding; and that the TAM Board authorize the Executive Director to work with MCTD to finalize the reprogramming of existing STIP funds from the Novato Intermodal Transit Center to other high priority transit capital needs within MCTD's jurisdiction, and submit such recommendation to MTC.

Background

The STIP is a multi-year capital improvement program of transportation projects on and off the State Highway System, funded with revenues from the State Highway Account and other funding sources. The California Transportation Commission (CTC) adopts a new STIP every two years. State law allows the CTC to amend the fund estimate to account for unexpected revenues. Under such circumstances, the CTC is required to extend the dates for submittal STIP projects. With the passage of Proposition 1B on the November 7, 2006 ballot, \$2 billion in general obligation bond proceeds will be available for projects in the STIP, to augment funds otherwise available for the STIP from other sources.

The CTC has inaugurated a special STIP development cycle to augment the 2006 STIP in advance of the development of the 2008 STIP. When the CTC adopted the 2006 STIP, funding constraints meant that many projects proposed in regional transportation improvement programs (RTIPs) and in the interregional transportation improvement program (ITIP) were either not programmed or were programmed for years later than the years the projects could be delivered. The CTC's primary intent for having a 2006 STIP augmentation is to advance the programming of funds for STIP projects that can be delivered prior to the adoption of the 2008 STIP.

Schedule - The following schedule lists the major milestones for the development and adoption of the 2006 STIP Augmentation:

TAM submits draft applications to MTC	February 1, 2007
TAM submits final applications to MTC	February 28, 2007
MTC submits RTIP to CTC	April 2, 2007
CTC publishes staff recommendations	May 17, 2007
CTC adopts STIP	June 7, 2007

Marin County Share - The draft fund estimate from the 2006 STIP Augmentation shows that Marin County is scheduled to receive a target of slightly more than \$6 million with a maximum programming amount of slightly more than \$10 million. The maximum programming amount is determined calculating the STIP formula share of all available revenues through the end of the county share period that extends beyond the STIP period of 2011-12. This represents the maximum amount that the CTC may program in a county, other than advancing future share. MTC has informed the CMAs that they may program up to the maximum amount listed in the 2006 STIP Augmentation Guidelines, but the funding level is subject to CTC approval. Note that past TAM actions prioritized the Highway 101 Gap Closure as the top priority and the Marin-Sonoma Narrows as the second highest priority.

Note that the STIP Augmentation cycle allows the re-programming of existing STIP projects not programmed in FY 2006-07. In FY 2007-08 and FY 2008-09, TAM programmed funding to MCTD for the Novato Intermodal Transit Center. As this project is not moving forward at this time, MCTD has expressed a desire to re-program these funds to another higher priority transit need within their jurisdiction. These are likely to be bus-stop improvements sorely needed throughout Marin County. Since some of the funds are scheduled to be allocated next year, they must be re-programmed now or MCTD faces SB-45 requirements next year that could trigger a substantial delay in the availability of the funds if not allocated and spent on the assigned project.

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